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National Intelligence Daily Cable for Monday, March 7, 1977.

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The NID Cable is for the purpose of informing senior US officials.

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ROMANIA: Earthquake Assessment

- 25X1 : [] The damage resulting from Romania's severe earthquake on Friday is still difficult to assess, but it is sure to add to the country's existing economic problems. Major industrial centers and possibly key oil and gas fields have been affected.
- 25X1 [] Damage to industrial facilities and destruction of thousands of houses have been reported. Three petrochemical complexes are said to have been partly destroyed in Ploesti; refineries there produce 160,000 barrels per day in products, about one third of Romania's total refinery capacity. Approximately 300 oil wells were damaged in the Ploesti oil fields, which account for about 40 percent of Romania's oil production, or 120,000 barrels per day.
- 25X1 [] In Bucharest--Romania's largest industrial center, contributing 18 percent of industrial output--three power plants and a major engineering plant were damaged.
- 25X1 [] The epicenter of the earthquake was about 30 miles northeast of the Brasov industrial center. Major installations in this center produce 13 percent of Romanian engineering goods, such as heavy and light industrial machinery, aircraft, and railroad equipment, as well as chemicals. We do not know how much damage was sustained in the Brasov area; major plants apparently were operating yesterday.
- 25X1 [] There are no reports of destruction in the gas fields that produce 3.2 billion cubic feet per day and account for over half of Romania's domestic energy requirements or to the two gas pipelines passing about 25 miles from the epicenter.
- 25X1 [] A significant slowdown in the production of oil, gas, and machinery would be a considerable blow to an already strained economy and balance of payments. Even before the earthquake, Romania was unlikely to meet its overly ambitious economic goals, which called for an 8-percent annual rate of growth during the five-year plan period, 1976 to 1980. President Ceausescu had been counting on large increases in domestic energy supplies to spur industrial growth.

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[REDACTED] If this supply is reduced as a result of the earthquake, more oil will have to be imported. Romania's balance of payments is already in deficit and its hard-currency debt has risen to \$3.2 billion.

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[REDACTED] Ceausescu has asked for emergency aid from the West and is certain to use the disaster to reiterate past requests for Western financial help. [REDACTED]

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EAST EUROPE: Air Traffic Control Systems

Most East European countries appear to be turning to the West, especially to the US, for civilian air traffic control equipment to meet anticipated increases in civil traffic that cannot be handled by purely manual methods. In addition, this would allow these countries to operate under International Civil Aviation Organization standards. There also is evidence that Warsaw Pact officials have been concerned about getting an integrated flow of data into their air defense systems on nonmilitary flights.

//Czechoslovakia already has a US air traffic control system in operation, Bulgaria has one on order, and Poland is negotiating for one. Hungary has shown interest in a US system but has not yet solicited proposals; Romania apparently prefers a French system. East Germany has yet to show interest in a Western air traffic control system.//

There are minor differences among the various systems being purchased or under discussion by the East Europeans and the models of radars and communications equipment varies, but the systems are essentially the same. They are modest but use some very good, proven equipment, which undoubtedly was a major attraction to the new customers.

In the typical system, primary or skin tracking radars provide location data on the aircraft, but altitude and velocity information comes from secondary radars using transponders on the aircraft. The Czechs are using domestically produced primary radars for their system, and the Bulgarians will use Italian ones identical to those proposed for the Swedish system to be used by the USSR.

The systems employ commercially available minicomputers fitted with special interfaces to match other equipment in

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the systems. Redundancy of computing equipment is included for reliability, but no auxiliary storage is provided for automatic recovery from system failure.

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[] The air traffic control systems being purchased can contribute to Warsaw Pact air defense capabilities by providing, for the first time, accurate and timely data on the flight paths of cooperating aircraft. The systems cannot track noncooperating aircraft because they rely on transponders on the aircraft to provide some of the information, such as altitude.

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[] The technological benefits to communist air defense capabilities from the civilian systems being purchased are apt to be minimal, although they would provide some systems experience and software knowledge. The systems' electronic modules meet military specifications but reverse engineering of the equipment for military use would be very difficult if not impossible.

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[] Both the hardware and software of the systems are tailored to the intended air traffic control uses and it would require time-consuming major development programs by the recipient countries to extend the air defense roles of the systems.

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[] The military usefulness of the civilian air traffic control systems is further decreased because the West controls the necessary spare parts and other support, which would be cut off in the event of hostilities. Thorough knowledge of the systems by the West would also make it easy to take effective electronic warfare measures against them. []

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OECD: Lower Trade Surplus

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[] The combined trade surplus of the 24 industrialized countries in the Organization for Economic Cooperation and Development with the less developed countries that are not members of OPEC dropped from \$22 billion in 1975 to an estimated \$6 to \$8 billion last year.

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[] Preliminary data indicates that OECD imports from these developing countries rose more than 20 percent last year

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to nearly \$80 billion, as economic recovery in the industrialized countries boosted import demand. Higher coffee and copper prices, combined with higher demand for these products, contributed to the increase. OECD exports to these countries were only slightly higher than the \$85 billion achieved in 1975. OECD export prices remained stable.

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[] The OECD posted a deficit with Argentina last year, reflecting Argentina's good wheat harvest and aggressive merchandising. Increased purchases of consumer goods--particularly textiles--also put the OECD in deficit with Taiwan.

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[] The non-OPEC developing countries were able to contain import growth from the developed countries last year. A good harvest enabled many countries to cut back agricultural imports and build grain inventories. India, for example, reduced grain imports from 7 million tons in 1975 to less than 6 million tons last year and has curtailed orders because of inadequate storage.

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[] Many of the larger developing countries, including Brazil, Argentina, and Peru, restricted imports to prevent further erosion of their international credit positions.

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[] The tremendous trade improvement eases the acute financial pinch for many developing countries. Their reserves were up roughly \$7 billion in 1976, reflecting in part a record level of borrowing in private capital markets. The improvement in the trade balance also enhances some of the financial ratios that banks use as indicators of creditworthiness.

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[] A large portion of the trade gain may prove temporary. Export prices for OECD goods, after remaining stable for a year, have begun to rise at a 5- to 6-percent annual rate. Several countries that had used controls to cut their import volumes may not want to continue controls. Moreover, the level of food imports will depend on weather conditions, which were favorable in 1975 and 1976. []

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GHANA: Internal Problems

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[] Ghana's political and economic woes seem to have become more acute over the last few weeks. Although General

Acheampong's position does not seem immediately threatened, some kind of antiregime activity could occur without much warning.

25X1 [] Part of the problem is of Acheampong's own making. His use of government funds for personal enrichment is becoming public knowledge in Ghana through an antiregime publication produced in London and mailed to key people in Ghana.

25X1 [] The economy is in poor shape. Inflation is continuing at an annual rate of between 70 and 80 percent. Food supplies are tight, especially in the countryside. Foreign exchange shortages have led to periodic cutoffs in petroleum shipments from Nigeria and the USSR. The resulting gasoline shortages in Accra have caused widespread public displeasure.

25X1 [] Acheampong's move in January to begin the formation of a "union government" that would start the process of returning the country to civilian rule has been strongly criticized as insufficient by students and the influential bar association.

25X1 [] US and British diplomats in Ghana agree that the overall outlook for Ghana is grim. Last month, they thought Acheampong was exercising more authority and the regime appeared stable, although his popularity was eroding because of economic problems.

25X1 [] In a recent meeting, the diplomats agreed that there is no evidence of coup plotting. The Westerners speculated that if a coup were attempted this year, it would probably involve younger, relatively unknown officers, as most potential leaders are closely watched. []

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IRAN: Human Rights

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[] Iran's popular Empress, Farah Diba, has joined in the government's counterattack against critics of its performance in the field of human rights. In an interview with a Canadian journalist, the Empress acknowledged that Iran should have confronted its foreign critics long ago, and reiterated her country's standard arguments.

--The worldwide campaign against Iran is motivated by political opponents of the current government and of its policies, particularly on oil, rather than by an objective concern with human rights.

--Inquiries by foreign governments about protection of human rights are both hypocritical and an interference in Iran's internal affairs.

--The Western media is biased; recent press reports about torture and death in Iranian jails were fabrications, while reports that reflect favorably on Iran do not get published.

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[] Hoveyda, in his annual address to an American group in Tehran, emphasized that differences between the US and Iran are to be expected, but sympathy for Iran's so-called political prisoners is misplaced. They are, said Hoveyda, criminals who deserve to be so treated. He denied prisoners are being tortured and said Iran has opened its jails to certain individuals to see for themselves.

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[] Hoveyda probably was referring to a British television team that visited selected Tehran jails last year, and a Belgian journalist who did the same last month. According to the British embassy in Tehran, the TV crew found that prison conditions were not harsh and that a prisoner alleged by Amnesty International to have been tortured and crippled was alive and walking normally. The embassy asserted that the team's report has never been published in the UK.

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[] The Belgian journalist was allowed to visit a major Tehran prison last month and to interview eight prisoners alleged by the Amnesty International branch in Belgium to have

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been mistreated. The journalist reportedly was satisfied he had seen the individuals he wanted to see and thought that prison conditions were reasonably good.

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[] The Shah has been stung by criticism on human rights and believes it both naive and unfair. His opening of certain prisons to outsiders and his increased responses to requests for information in human rights cases demonstrate a willingness to make improvements in Iran's posture on human rights, but we foresee little likelihood that he will relax his basic stance toward political dissidents at home. He is convinced they are foreign-backed and linked to local terrorist groups. []

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NICARAGUA: Somoza Denies Charges

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[] In a discussion with the US ambassador, President Somoza has denied charges made by US Catholic priests in Nicaragua that National Guard troops have indiscriminantly killed and tortured a number of peasants over the past two years.

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[] The priests accused the regime of massacring 86 civilians in two recent separate incidents in a remote area north-east of Managua. They alleged that most of the peasants were killed because they were suspected of collaborating with the Sandinist National Liberation Front, a leftist guerrilla group that has been active sporadically in Nicaragua since 1961.

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[] In the past, the priests have been reliable reporters of developments in isolated northern areas of Nicaragua. While some of their allegations may be accurate, it is difficult to accept them completely because of the second- and third-hand nature of the information.

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[] Somoza has told the US ambassador that the deaths of some innocent peasants are one of the unfortunate consequences of the struggle his government has been waging against the guerrillas. The National Guard has been conducting an all-out campaign since 1974 to destroy the guerrilla group.

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[] The President is convinced that the clerics' charges are part of a campaign by his political opponents and Sandinist

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supporters aimed at discrediting and overthrowing his government. Although he clearly is concerned over the effect the charges will have on his government's relations with the US, Somoza showed little interest in conducting a full investigation.

Somoza believes that the growing criticism in the US of human rights abuses in Nicaragua and elsewhere in the hemisphere will adversely affect broader US interests, alienate friendly governments, and encourage his enemies' efforts to undermine his rule.

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